

*Can corp*  
**transair** Limited



## INTERIM REPORT

For the Six Months Ended June 30, 1974

July 30, 1974

### TO THE SHAREHOLDERS OF TRANSAIR LIMITED

Enclosed are comparative statements for the six-month period ended June 30th, 1974.

Gross Revenues increased by 52% from \$10,240,000 to \$15,531,000. Income before Extraordinary Item increased by 25% from \$261,000 in 1973 to \$327,000. With the reduction in the available tax loss carried forward, Net Income for the period declined from \$639,000 to \$467,000 in the current period.

We have again been awarded the Contract for the Vertical Resupply to the Distant Early Warning sites, at increased rates effective on July 1st. On July 24th we commenced scheduled operations to Resolute Bay and indications are that this service will prove successful.

While costs have increased at an alarming rate the recent fare increase, coupled with continued strict controls on expenses, should permit us to achieve our established goals.

*Arthur V. Mauro*

ARTHUR V. MAURO, President



# transair Limited

and Wholly-Owned Subsidiary Companies

## CONSOLIDATED STATEMENT OF INCOME

For the Six Months Ended June 30, 1974

(With 1973 Figures for Comparison) (Unaudited) (In Thousands of Dollars)

	1974	1973
Revenue .....	\$15,531	\$10,240
Expenses		
General Operating & Administrative Expenses .....	13,848	8,756
Depreciation & Amortization .....	732	796
Interest .....	352	231
	<u>14,932</u>	<u>9,783</u>
OPERATING PROFIT .....	599	457
Gain on Disposal of Property & Equipment .....	19	25
Income Before Income Taxes & Extraordinary Item .....	618	482
Deferred Income Taxes .....	291	221
Income Before Extraordinary Item .....	327	261
Income Tax Reduction Arising from Application of Prior Year's Loss Carry Forwards .....	140	378
Net Income for the Period .....	<u>\$ 467</u>	<u>\$ 639</u>

### Earnings per Common Share

#### Basic Earnings

(Weighted Average Number of Shares: 1974 & 1973 - 3,080,806)

	1974	1973
Before Extraordinary Item .....	10.6¢	8.2¢
After Extraordinary Item .....	15.2¢	20.5¢
Fully Diluted Earnings		
Before Extraordinary Item .....	13.9¢	11.2¢
After Extraordinary Item .....	17.3¢	17.8¢

## CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the Six Months Ended June 30, 1974

(With 1973 Figures for Comparison) (Unaudited) (In Thousands of Dollars)

	1974	1973
Funds Provided:		
Net Income, excluding charges not affecting Working Capital .....	\$ 1,267	\$ 1,253
Reduction of Mortgages Receivable .....	94	63
Sale of Property & Equipment .....	420	78
Long Term Debt Financing .....	8,374	—
Total Funds Provided .....	<u>10,155</u>	<u>1,394</u>
Funds Applied:		
Capital Expenditures .....	10,172	868
Repayment of Long Term Debt .....	1,363	595
Developmental & Fleet Pre-Operating Costs .....	253	148
Deferred Lease Payments .....	(63)	51
Dividends on Preference Shares .....	7	7
Total Funds Applied .....	<u>11,732</u>	<u>1,669</u>
Improvement (Decrease) in Working Capital .....	(1,577)	(275)
Working Capital Surplus (Deficiency) at the Beginning of the Period .....	53	(1,441)
Working Capital (Deficiency) at the End of the Period .....	<u>\$(1,524)</u>	<u>\$(1,716)</u>